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## **Mexico**

### **Agricultural Situation**

#### **Weekly Highlights & Hot Bites, Issue #19**

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#### **Report Highlights:**

**Acution of Permits for Duck, Goose & Guinea Meat\*World Bank Suggestions To  
Sell Mexican Sugar Mills\*Deforestation is the Greatest Environmental Problem in  
Mexico**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico [MX1], MX

Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

**DISCLAIMER:** Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

### **AUCTION OF PERMITS FOR DUCK, GOOSE AND GUINEA MEAT**

On June 21, 2002, the Secretariat of Economy (SE) will auction off permits (*cupos*) to import duck, goose or guinea meat (cut in pieces; fresh, chilled or frozen) from the United States totalling 5,000 kg. Only Mexican citizens or entities will be eligible to bid on the permits. These permits will be for the second semester of calendar year 2002 imports and are part of the tariff-rate quotas (TRQ) established under the North American Free Trade Agreement (NAFTA). For additional information, see Report MX 2087. (Source: *Diario Oficial*, 5/23/02)

### **WORLD BANK SUGGESTIONS TO SELL MEXICAN SUGAR MILLS**

In a special report, "Policy Recommendations for the Mexican Sugar Industry," the World Bank has recommended that the Mexican government evaluate shutting down certain sugar mills that are unproductive before selling them back to private industry. The Mexican government is discussing steps to sell 27 sugarcane mills that were expropriated in September 2001. This report suggests that the Mexican government calculate the costs of shutting down the mills including analysis of factors like alternate crops and alternate mills to mill the sugarcane. The World Bank lists the following mills with the most difficult problems to be profitable: La Joya, Santa Rosalia, Cuatotolapan, San Gabriel, San Francisco El Naranjal, and El Dorado. (Source: *El Financiero*, 5/27/02)

### **DEFORESTATION IS THE GREATEST ENVIRONMENTAL PROBLEM IN MEXICO**

According to a local newspaper, Mexico's forests are rapidly disappearing and poor government policies need to be redesigned to protect the nation's woodlands. "Without a doubt, deforestation is the greatest environmental problem facing the nation," said Gabriel Quadri de la Torre, Director of the Private Sector Center of Studies for Sustainable Development (Cespedes). Quadri spoke at a media conference to present the report titled, "Deforestation in Mexico: Economic Causes and Influence of International Commerce," issued by Cespedes and the Mexican Center of Environmental Law (Cemda). Jose Moran, a member of Cemda and one of the study's authors, said Mexico loses around 800,000 hectares of forests every year, an area

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equivalent to over five times the size of Mexico City. The rate of deforestation places Mexico

second only to Brazil in the Latin American region. Quadri said from 1976 to 2000, Mexico lost 12 million hectares of forests, half of which were tropical jungle. The expansion of land cultivated for agriculture or ranching is the leading cause of deforestation in Mexico, according to the report. For Quadri, the system of land management on the nation's communal farms, called *ejidos*, are adding to the problem. *Ejidos* were part of the reforms ushered in by the 1910-1917 Revolution to provide land for poor farmers who had worked on the nation's haciendas. Quadri said 60 percent of Mexican territory are *ejidos* and possess nearly 80 percent of the nation's forested land. The practice of slash and burn agriculture to make room for new fields or grazing land has been the major threat to forests, especially in southern states. Quadri said the government's agriculture subsidy program, known as *Procampo*, has been a "perverse incentive" for *campesinos* to clear land in order to receive more money. He said the government needed to implement a program to pay *campesinos* to preserve forests. (Source: *The News*, 5/31/02)

#### REPORTS SUBMITTED RECENTLY BY FAS/MEXICO CITY

REPORT #	TITLE	DATE
MX2083	Weekly Highlights & Hot Bites, Issue #18	5/24/2002
MX2084	New Ports of Entry for U.S. Potato Products	5/24/2002
MX2085	NOM-079-FITO-2002 Regulation for Virus-Free Citrus Propagative Material	5/24/2002
MX2086	Emergency Regulation to Eradicate Avian Influenza NOM-EM-016-ZOO-2002	5/24/2002
MX2087	Auction of Import Permits for Duck, Goose and Guinea Meat	5/28/2002

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